

UK Project Management Round Up



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INTRODUCTION

It's been a funny old month, as some of our football correspondents might say. We have had claims that the economy remains weak while on the other hand we have claims its picking up accompanied by dire warnings from various quarters about our economic weakness. So what is happening in the UK financial world and how does it affect our project world?

A lot has been happening in the professional society world here in UK so we need to look at that and see how it affects individual Project Managers and last but not least, a quick look at new or altered projects in the public domain should complete my report.

I usually report on what I have seen or heard, and what I find interesting. I appreciate that you might not have the same tastes as me so if I am missing matters you think should be included here, please let me know. And now to business...

Economic News

My personal measure of the economy is pretty basic. I look out of the train window as I travel into London and count the number of construction cranes I can see. On a recent trip, I was struck by just how many had sprung up since the completion of the Shard. Another anecdotal measure was the number of new construction sites there are in the City of London, the nation's financial heart and one of the principal centres of commerce world-wide. It is not just me who uses such measures – the BBC



Image courtesy Getty Images

seems to have a similar yardstick and based a recent breakfast show around the re-opening of a major office construction project in the heart of the City. This site had been closed several years ago, in mid-construction, while the economic climate was at its lowest. Skanska, the site owners, clearly think the time is right to complete the project. Interestingly, Skanska have a female Managing Director and several of the construction team were also women. Do we detect a shift in the gender balance here?

On a more scientific level, another measure of economic health is provided by the Office for Government Statistics. Their latest figures show growth in GDP above that predicted last year at 0.8% despite the dreadful winter that virtually stopped all construction work and accounted for their slowest growth figures for several years.

The International Monetary Fund (IMF) has also recognized UK progress and now rate our economy as one of the stronger ones. As there is reported to be some £36 billion allocated to infrastructure projects, there is more scope for optimism. Around 200 major projects are aimed at rebuilding British infrastructure by improving road and rail networks, building flood defences and providing more and faster broadband networks.

Professional Society News



The Association for Project Management (APM) released performance figures for 2013 this month. With membership topping 21,150 and a record 14,400 candidates taking its professional qualifications, another record year for the 12 months ending March 2014 was reported

Pre-audited accounts indicate that like-for-like revenues grew by £300,000 in the last year to £7.4 million with growth across all areas of the charity; the highest revenue in the association's history.

APM chairman **Steve Wake** said "These draft results are a demonstration of the success we are having in taking our message of professionalism out to the wider project management community. Our success is based on collaboration, one of the core values which drive the portfolio supporting the APM Board's strategy. We reflect and promote the most successful professional practice available by working closely with academia, corporate organisations and individuals, volunteers and other domain experts. This ensures that we meet the needs of our members and the wider project management community."

APM continues to play an important role in the global project management community, especially through the many roles held by APM volunteers and staff within the International Project Management Association (IPMA). Successes included the September 2013 launch of a collaboration with the Finnish project management association, PMAF, based around APM's FIVE Dimensions of Professionalism.

Collaboration has also been at the heart of APM's activities in the UK. The association became the first ever professional body to achieve the Investors in Volunteers accreditation, a reflection of the huge contribution of time, expertise and commitment made by APM's loyal volunteers.

Projects in the News

ICARUS - As we were closing the issue, news came in of a long term program of projects that might have relevance for many readers. The Icarus program is aimed at developing manned interstellar flight and consists of a number of supporting projects. The overall aim is to construct a 'living space ship' that might save humanity 100 years from now. The concept depends on the successful development of a series of enabling technologies, and each of the 7 projects in the program is devoted to a specific technology that will contribute to the craft.

The specific aims of the program are shown on their website ([www.: icasusinterstellar.org](http://www.icasusinterstellar.org)) and are:

1. To motivate a new generation of scientists in designing space missions that can explore beyond our solar system.
2. To generate greater interest in the real term prospects for interstellar precursor missions that are based on credible science.
3. To design a credible interstellar probe that is a concept design for a potential mission in the coming centuries so as to allow a direct technology comparison with Daedalus and to provide an assessment of the maturity of fusion based space propulsion for future precursor missions.
4. To allow a direct technology comparison with Daedalus (a British Interplanetary Society project to evaluate the feasibility of interstellar travel) and provide an assessment of the maturity of fusion based space propulsion for future precursor missions.

Project PERSEPHONE looks at the development of bio-technologies that would enable the space ship to be self-sustaining by incorporating organic matter such as algae and artificial soil to be built into the craft. By using these and energy from the Sun, bio-fuel could be made and food produced to sustain the several thousand



passengers on trip to discover a new planet to colonise. The project broadly considers the application of living technologies such as protocells, programmable smart chemistry, in the context of habitable starship architecture that can respond and evolve according to the needs of its inhabitants

While the concept may sound like something straight out of science fiction TV programmes from the 1980's, it is being

taken seriously by researchers from many parts of the world. Dr Rachel ARMSTRONG from the University of Greenwich is the project manager working with 13 designers, 6 of whom are from British universities (Surrey, Greenwich and Warwick) and the others from as far afield as USA, Italy and the Netherlands.

Architects have been studying Sustainable structures for several years. The Persephone project includes a team led by Richard HYAMS who are seeking answers to questions such as whether it is possible to build façades that generate their own fuel. Hyams and his team also need to understand how to use waste methane and how water can be reused. There is clearly a spin off that will enable new building technologies to be developed for use in the construction of sustainable cities as well as for possible future use on a space ship.

UK Power supply continues to cause concern. The latest Government wheeze to avoid the expected power outages next winter is to have a 'strategic reserve of power stations'. The idea is to pay power stations to participate in the scheme by charging the poor consumer through levies on their bills.

It is understood that the National Grid, responsible for managing power supply, will not decide on which plants are to join the pool until August. With the last few years as examples, the British Winter is likely to descend in November if not earlier and this will not leave enough time to bring mothballed power stations back on line. Scottish and Southern Electric have already withdrawn from talks aimed at getting the Keadby gas plant into the reserve. Keadby can generate up to 735 megawatts at full capacity.

Nuclear Decommissioning. Just when we thought it was all over for the Magnox decommissioning program, news comes that there will almost certainly be a legal challenge to the contract award last month (reported in Vol III No iv). Cavendish Floor were awarded the contract, reportedly by a narrow margin. The other consortia in the running were a group led by Bechtel with EnergySolutions and a group consisting of CH2m Hill, Serco and Areva. As is common in major contracting, bids were assessed using a points based system. Factors such as health and safety records, technical issues, governance and socio-economics would have been included. Observers will have noted issues with each of the potential groups, and particularly the weak performance of some partners.

Press reports claim that the margin between the groups was very close which is seen as likely to increase the chances of the contract award being challenged. Echoes of the West Coast Main Line franchise loom.

M & A Activity. Many insiders regard mergers and acquisitions as projects, and indeed, I have planned one such project myself. Well, there must be a lot of very busy financial project managers and planners in the City about now as the number of takeovers reported in the business pages of the national press is quite startling. Reckitt Benckiser are trying to buy the healthcare division of Merck & Co, Xstrata look to be interested in acquiring parts of another un-named mining company while BHP Billiton has raised \$US 3.75 billion from investors and there is speculation that

they will use this war chest to fund further acquisitions. And then there are rumours of talks between Premier Oil and Ophir which has oil interests off the coast of Tanzania. Apparently, Ophir is interested in a straight takeover of Premier.

However, the big fight is the hostile bid by Pfizer for AstraZeneca. While hostile takeovers are not big news, the interest for Project Managers lies in the development of a new research campus at Cambridge which has long been planned by AstraZeneca. Such is the concern that Dr Vince Cable, the Business Secretary, has stepped into the murky waters while concerned Members of Parliament have called for a parliamentary inquiry. It is not entirely clear what effect such an inquiry might have but the Commons Business Select Committee have stated that they intend to investigate. Probably of more significance is the word that AstraZeneca shares took an unexpected upward leap in January and this might trigger an investigation by lawyers and the shares regulator. This takeover bid is hot news and is evolving rapidly. In addition to Dr Cable, the Prime Minister has been drawn into the debate and several past Industry Secretaries have also waded in with their views. The UK consensus seems to be that Pfizer just want a UK base to cut their tax bill and the unions are stating that they oppose the 'merger' given Pfizer's previous asset stripping approach in Derby where, the Unions claim, a large number of jobs were lost despite pre-takeover promises to preserve jobs.

Another big beast takeover is the bid by GE to buy Alstom' power activities. As GE is US based and Alstom is French, you may be forgiven for wondering what relevance there is for the British Project World. Well, Alstom make a significant proportion of the rolling stock on the London Underground as well as on several light railways. The French Government are strongly opposed to any takeover of French business by foreigners – curiously, they do not seem to oppose French takeovers of overseas firms – especially as Alstom make the famous Trains Grand Vitesse (GTVs). As government intervention was put off for a few days, Siemens have stepped in as a potential 'White Knight' with an offer to transfer their train building activities to Alstom in exchange for Alstom's power generating division. If these transfers went through, two new and extremely powerful entities would emerge to challenge in rail and power industries. Readers will recall that Siemens won the contract to build the new rolling stock for Thameslink back in 2013.

The M&A activity certainly shows yet again the interconnectedness of projects, and particularly megaprojects.

About the Author



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Miles Shepherd is an executive editorial advisor and international correspondent for PM World in the United Kingdom. He is also managing director for MS Projects Ltd, a consulting company supporting various UK and overseas Government agencies, nuclear industry organisations and other businesses. Miles has over 30 years' experience on a variety of projects in UK, Eastern Europe and Russia. His PM experience includes defence, major IT projects, decommissioning of nuclear reactors, nuclear security, rail and business projects for the UK Government and EU. Past Chair and Fellow of the Association for Project Management (APM), Miles is also past president and chair of the International Project Management Association (IPMA). He is currently Director of PMI's Global Accreditation Centre and the Chair of the ISO committee developing new international standards for Project Management and for Program/Portfolio Management. He was involved in setting up APM's team developing guidelines for project management oversight and governance. Miles is based in Salisbury, England and can be contacted at miles.shepherd@msp-ltd.co.uk.

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